

AN ORDINANCE ESTABLISHING THE EFFINGHAM ENTERPRISE ZONE
WITHIN THE COUNTY OF EFFINGHAM, ILLINOIS

WHEREAS, the State of Illinois Enterprise Zone Act encourages local governmental participation in the promotion of private sector investment in economically depressed areas throughout the state;

WHEREAS, a disproportionate number of residents within the unincorporated portions of the County of Effingham, herein referred to as the County, has experienced unemployment and economic distress; and

WHEREAS, the Illinois Enterprise Zone Act requires the County to pass an ordinance establishing an Enterprise Zone before it can apply to the State of Illinois Department of Commerce and Community Affairs for certification of the Zone.

NOW, THEREFORE, BE IT ORDAINED BY THE MEMBERS OF THE COUNTY BOARD OF EFFINGHAM COUNTY, ILLINOIS:

I. Subject to approval and certification by the Illinois Department of Commerce and Community Affairs of the State of Illinois and pursuant to the "Illinois Enterprise Zone Act", Ill. Rev. Stat. 1985, chapter 67 1/2, section 601 et. seq., the County of Effingham hereby designates as an Enterprise Zone for a period of twenty (20) years those portions of the County as set forth in Exhibit A (which is attached hereto and incorporated by this reference) which is located within the unincorporated portions of the County of Effingham. The term of the Zone shall commence with the date the Effingham Enterprise Zone is designated and certified by the Illinois Department of Commerce and Community Affairs pursuant to section 5.3 of the act and shall terminate at midnight, December 31st of the twentieth year after the year in which the Effingham Enterprise Zone is certified.

II. The County hereby finds as follows:

A. Following due and sufficient public notice, the County in conjunction with the City of Effingham held a public hearing concerning the Enterprise Zone as set forth in Exhibit A. The hearing was held at 6:00 p.m. on March 15, 1988 in Fire Station No. 3 on South Route 45, Effingham, Illinois, which is located within the area designated as the Enterprise Zone.

B. The Enterprise Zone is a contiguous area comprising more than 1/2 square mile and less than 12 square miles in total area, in fact, comprising an area (as defined in Exhibit A) of 1.9 square miles.

- C. The Enterprise Zone is a distressed area as defined by the regulations promulgated by the Department of Commerce and Community Affairs in that the area designated as the Enterprise Zone meets at least one of the tests for eligibility therein prescribed.
- D. The Enterprise Zone meets the conditions and criteria established by the Illinois Enterprise Zone Act and regulations promulgated by the Department of Commerce and Community Affairs.
- E. The Enterprise Zone includes portions of the unincorporated part of the County for the following reasons:
 - 1. To include the maximum number of low and moderate income persons;
 - 2. To include the older industrial, commercial and residential areas of the community needing upgrading and rehabilitation;
 - 3. To include the areas comprising of the highest unemployment;
 - 4. To include the existing industrial and commercial facilities which are presently vacant and/or underutilized; and
 - 5. To include areas representing portions of the county where commercial and industrial development is targeted to occur in support of existing commercial and industrial areas.
- F. The Enterprise Zone shall be governed, managed and operated in accordance with an intergovernmental agreement between the City of Effingham and the County as set forth in Exhibit B (which is attached hereto and incorporated by reference).

III. The chairman and members of the County Board of Effingham in an effort to facilitate the successful development of the Enterprise Zone authorize and agree to provide the following incentives and target the following programs within the Enterprise Zone for the life of the Enterprise Zone in accordance with the policies and procedures herein and those which may be established and implemented following certification of the Enterprise Zone by the Illinois Department of Commerce and Community Affairs.

A. Real Estate Tax Abatement:

The County shall provide property (real estate) tax abatement for projects within the Enterprise Zone in accordance with the following provisions:

1. Industrial Projects: Those projects where the primary use of the project land and building(s) is of a manufacturing, assembling, wholesale or warehouse/distribution nature. Projects meeting this definition are eligible to receive property (real estate) tax abatement of 100 percent of the increased assessment amount which would accrue from expansion, rehabilitation or new construction for a ten (10) year period beginning with the tax year in which the new increased assessment amount would be levied (this abatement period shall not extend beyond the twenty (20) year life of the Enterprise Zone as provided for in Section I above).

Expansion shall be herein defined as the construction of any part of a building that results in an increase in any exterior dimension of an existing building and has at least one wall or floor in common with the existing building. Rehabilitation shall be herein defined as the improvement of any part of an existing building that does not result in an increase in any exterior dimension of the building. New construction shall be herein defined as the improvement of any tract of land or site with a building where the interior space is encased by exterior walls none of which are common along any plane or otherwise shared with an existing building.

During this abatement period property (real estate) taxes levied on the land and building(s) would continue to be paid annually based on the "pre-project" land and building(s) "base" in accordance with the established equalized assessed valuation and tax rate.

2. Commercial Projects: Those projects where the primary use of the project land and building(s) is of a retail or service nature. This shall exclude projects for single or multi family unit residences. Projects meeting this definition are eligible to receive property (real estate) tax abatement of 100 percent of the increased assessment amount which would accrue from expansion, rehabilitation or new construction (expansion,

rehabilitation or new construction shall be defined as set forth in Section III (A)(1) above) for a three (3) year period beginning with the tax year in which the new increased assessment amount would be levied (this abatement period shall not extend beyond the twenty (20) year life of the Enterprise Zone as provided for in Section I above).

The County of Effingham hereby authorizes and directs the Effingham County Clerk to abate that portion of the property tax due to the County of Effingham which is attributable to the construction of improvements and the renovation or rehabilitation of existing improvements on any industrial or commercial real property located within the boundaries of the Effingham Enterprise Zone for the time periods herein specified. During the abatement period, property (real estate) taxes levied on the land and building(s) would continue to be paid annually based on the "pre-project" land and building(s) "base" in accordance with the established equalized assessed valuation and tax rate.

B. Sales Tax Exemption:

The County hereby authorizes claims for point of sales exemption of its 1.25 percent County Retailers Occupation Tax by each retailer whose place of business is within the unincorporated portions of the County and of its .25 percent County Retailers Occupation Tax by each retailer whose place of business is within the City of Effingham and who makes a sale of building materials to be incorporated into real estate in the Enterprise Zone for rehabilitation, expansion and/or new construction of commercial or industrial projects when such projects are also eligible for property (real estate) tax abatement in accordance with the terms of Section III (A)(1) and (2) above. The retailer may grant an exemption of the tax under the County Retailers' Occupation Tax Act in accordance with the provisions of the Enterprise Zone Act and the terms of this ordinance. (The provision of this incentive by the County automatically invokes the exemption of the 5 percent state sales tax on building materials.) In order to receive credit (which is provided through the building materials retailer), the following criteria must be met:

1. The building materials must be purchased either within the City of Effingham or within the unincorporated portion of the County through a legitimate building materials retailer and/or distributor.
2. The building materials must be affixed to the real estate.
3. Only projects which normally require a building permit or involve the purchase of building materials costing in excess of \$5,000.00 will be eligible to receive the credit.
4. Evidence of a project's location and eligibility within the Zone in the form of a certificate of eligibility provided by the Enterprise Zone Administrator or Deputy Zone Administrator along with a copy of the building permit issued by the City of Effingham building official must be presented to the retailer at the time of purchase.
5. Certificates of eligibility will be valid for twelve (12) months from the date of issuance. Certificates may be extended for an additional period of twelve (12) months upon application to the Enterprise Zone Administrator or Deputy Zone Administrator. Such extensions shall be granted no more than two (2) times for any one project and are subject to a determination by the Enterprise Zone Administrator that they are needed to complete the project and are not necessitated by the failure of the applicant to diligently pursue construction.

C. Waiver of Building Permit Fee Amounts:

The County will waive the normal amount which may be charged for any and all fees or permits for rehabilitation, expansion or new construction associated with commercial and/or industrial projects within the Zone. The provision of this incentive shall not be construed to provide for the elimination of any permit. All construction-related permits would be required for any project that may be required in the future.

D. Targeting of Funds:

The County will target funds it is scheduled to receive or may in the future receive from the sources listed below on a first priority basis to projects located within the Enterprise Zone. This targeting

means to the extent that qualifying specific projects and/or project areas exist within the Zone (in accordance with the criteria established for each source/program), the County will give priority to the use of the funds for Zone projects/project areas. This shall not be construed to mean that projects outside the Zone which better meet program criteria and/or which demonstrate more need would be excluded from funding.

"First priority" is herein further defined as applying to project evaluation when all aspects of competing projects/project areas are generally equal. In such cases priority would be given to those projects located within the Enterprise Zone. "Projects" are herein defined as including the following items: public improvements; loan programs for commercial, industrial and/or residential properties; job training funds; and land acquisition in support of specific projects, etc. The funds/program sources to be targeted under this "first priority" basis are as follows:

1. Urban Development Action Grant (UDAG) repayments from UDAG grants received subsequent to the date of State approval of the Zone.
2. JTPA funds as may be available through the State of Illinois and/or other sources subsequent to the date of state approval of the Zone.
3. Loans to be provided under the Illinois Small Business Fixed Rate Financing Fund subsequent to the date of state approval of the Zone.
4. Build Illinois Funds as may be available through the State of Illinois subsequent to the date of state approval of the Zone.
5. Loans for commercial, industrial and/or residential projects to be made under any county established program(s) subsequent to the date of state approval of the Zone.

IV. The chairman and the members of the County Board of Effingham County in an effort to successfully facilitate the management, operation and development of the Enterprise Zone will designate an Enterprise Zone Administrator in accordance with the provisions of the Intergovernmental Agreement appended hereto as Exhibit B.

V. This ordinance does not prohibit the County from extending additional tax incentives or reimbursements for residents and business enterprises in the Enterprise Zone or throughout the County by separate ordinance.

VI. This ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, paragraph, sentence or provision of the ordinance shall not affect the validity of any other portion of the ordinance.

VII. All ordinances or parts of ordinances conflicting with any of the provisions of this ordinance shall be and the same are hereby repealed.

VIII. This ordinance shall be in effect from and after its passage, approval, and publication as required by law.

Presented, passed and approved this 15th day of March, 1988.


Yeas 8

Nays 0

Absent 1


Ernest Garbe, County Board Chairman

ATTEST:


Robert Behrman, County Clerk

ORDINANCE NO. 9-88

AN ORDINANCE ESTABLISHING THE EFFINGHAM ENTERPRISE ZONE
WITHIN THE CITY OF EFFINGHAM, ILLINOIS

WHEREAS, the State of Illinois Enterprise Zone Act encourages local governmental participation in the promotion of private sector investment in economically depressed areas throughout the state; and

WHEREAS, a disproportionate number of residents within the City of Effingham, hereinafter referred to as the "City", have experienced unemployment and economic distress; and

WHEREAS, the Illinois Enterprise Zone Act requires the city to pass an ordinance establishing an Enterprise Zone before it can apply to the State of Illinois Department of Commerce and Community Affairs for certification of the Zone.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EFFINGHAM, ILLINOIS:

I. Subject to approval and certification by the Illinois Department of Commerce and Community Affairs of the State of Illinois and pursuant to the "Illinois Enterprise Zone Act", Ill. Rev. Stat. 1985, chapter 67 1/2, section 601 et. seq., the City hereby designates as an Enterprise Zone for a period of twenty (20) years those portions of the City as set forth in Exhibit A (which is attached hereto and incorporated by this reference) which is located within the City of Effingham. The term of a Zone shall commence with the date the Effingham Enterprise Zone is designated and certified by the Illinois Department of Commerce and Community Affairs pursuant to section 5.3 of the Act and shall terminate at midnight of December 31st of the twentieth year after the year in which the Effingham Enterprise Zone is certified.

II. The City hereby finds as follows:

A. Following due and sufficient public notice, the City in conjunction with County of Effingham held a public hearing concerning the Enterprise Zone as set forth in Exhibit A. The hearing was held at 6:00 p.m. on March 15, 1988 in Fire Station No. 3 on South Banker Street, Effingham, Illinois, which is located within the area designated as the Enterprise Zone.

B. The Enterprise Zone is a contiguous area comprising more than one half square mile and less than twelve square miles in total area, in fact comprising an area (as defined in Exhibit A) of 1.9 square miles.

C. The Enterprise Zone is a distressed area as defined by the regulations promulgated by the Department of Commerce and Community Affairs in that the area designated as the Enterprise Zone meets at least one of the tests for eligibility therein prescribed.

D. The Enterprise Zone meets the conditions and criteria established by the Illinois Enterprise Zone Act and regulations promulgated by the Department of Commerce and Community Affairs.

E. The Enterprise Zone includes portions of the City for the following reasons:

1. To include the maximum number of low and moderate income persons;
2. To include the older industrial, commercial and residential areas of the community needing upgrading and rehabilitation;
3. To include the areas comprising the highest unemployment;
4. To include a majority of the industrial and commercial facilities which are presently vacant and/or underutilized; and
5. To include areas representing portions of the community where commercial and industrial development is targeted to occur in support of existing commercial and industrial areas.

F. The Enterprise Zone shall be governed, managed and operated in accordance with an intergovernmental agreement between the City and the County of Effingham as set forth in Exhibit B (which is attached hereto and incorporated by this reference).

III. The Mayor and City Council of the City in an effort to facilitate the successful development of the Enterprise Zone authorizes and agrees to provide the following incentives and target the following programs within the Enterprise Zone for the life of the Enterprise Zone in accordance with the policies and procedures herein and those which may be established and implemented following certification of the Enterprise Zone by the Illinois Department of Commerce and Community Affairs:

A. Real Estate Tax Abatement:

The City shall provide property (real estate) tax abatement for projects within the Enterprise Zone in accordance with the following provisions:

1. Industrial Projects: Those projects where the primary use of the project land and building(s) is of a manufacturing, assembling, wholesale or warehouse/distribution nature. Projects meeting this definition are eligible to receive property (real estate) tax abatement of 100 percent of the increased assessment amount which would accrue from expansion, rehabilitation or new construction for a ten (10) year period beginning with the tax year in which the new increased assessment amount would be levied (this abatement period shall not extend beyond the twenty (20) year life of the Enterprise Zone as provided for in Section I above).

Expansion shall be herein defined as the construction of any part of a building that results in an increase in any exterior dimension of an existing building and has at least one wall or floor in common with the existing building. Rehabilitation shall be herein defined as the improvement of any part of an existing building that does not result in an increase in any exterior dimension of the building. New construction shall be herein defined as the improvement of any tract of land or site with a building where the interior space is encased by exterior walls none of which are common along any plane or otherwise shared with an existing building.

During this abatement period property (real estate) taxes levied on the land and building(s) would continue to be paid annually based on the "pre-project" land and building(s) "base" in accordance with the established equalized assessed valuation and tax rate.

2. Commercial Projects: Those projects where the primary use of the project land and building(s) is of a retail or service nature. This shall exclude projects for single or multi family unit residences. Projects meeting this definition are eligible to receive property (real estate) tax abatement of 100 percent of the increased assessment amount which would accrue from expansion, rehabilitation or new construction (expansion,

rehabilitation or new construction shall be defined as set forth in Section III (A)(1) above) for a three (3) year period beginning with the tax year in which the new increased assessment amount would be levied (this abatement period shall not extend beyond the twenty (20) year life of the Enterprise Zone as provided for in Section I above).

The City of Effingham hereby authorizes and directs the Effingham County Clerk to abate that portion of the property tax due to the City of Effingham which is attributable to the construction of improvements and the renovation or rehabilitation of existing improvements on any industrial or commercial real property located within the boundaries of the Effingham Enterprise Zone for the time periods herein specified. During the abatement period, property (real estate) taxes levied on the land and building(s) would continue to be paid annually based on the "pre-project" land and building(s) "base" in accordance with the established equalized assessed valuation and tax rate.

B. Sales Tax Exemption:

The City hereby authorizes claims for point of sale exemption of its one percent Municipal Retailers Occupation Tax by each retailer whose place of business is within the City and who makes a sale of building materials to be incorporated into real estate in the Enterprise Zone for rehabilitation, expansion and/or new construction of commercial or industrial projects when such projects are also eligible for property (real estate) tax abatement in accordance with the terms of Section III (A)(1) and (2) above. The retailer may grant an exemption of the tax under the Municipal Retailers' Occupation Tax Act in accordance with the provisions of the Illinois Enterprise Zone Act and the terms of this ordinance. This exemption shall take effect beginning on the first day of the calendar month following the month in which the Zone is certified by the State of Illinois (the provisions of this incentive by the City automatically invokes the exemption of the five (5) percent state sales tax on building materials). In order to receive credit (which is provided through the building materials retailer), the following criteria must be met:

1. The building materials must be purchased within the City or within unincorporated areas of the County through a legitimate building materials retailer and/or distributor.
2. The building materials must be permanently affixed to the real estate.
3. Only projects which normally require a building permit or involve the purchase of building materials costing in excess of \$5,000.00 will be eligible to receive the credit.
4. Evidence of a project's location and eligibility within the Zone in the form of a certificate of eligibility provided by the Enterprise Zone Administrator or Deputy Zone Administrator along with a copy of the building permit issued by the building official must be presented to the retailer at the time of purchase.
5. Certificates of eligibility will be valid for twelve (12) months from the date of issuance. Certificates may be extended for an additional period of twelve (12) months upon application to the Enterprise Zone Administrator or Deputy Zone Administrator. Such extensions shall be granted no more than two (2) times for any one project and are subject to a determination by the Enterprise Zone Administrator that they are needed to complete the project and are not necessitated by the failure of the applicant to diligently pursue construction.

C. Waiver of Building Permit Fee Amounts:

The City will waive the normal amount which would be charged for any and all fees or permits for rehabilitation, expansion or new construction associated with commercial and/or industrial projects within the Zone. The provision of this incentive shall not be construed to provide for the elimination of any permit. All construction-related permits shall continue to be required for any project as has been the case in the past and as may be required in the future. This waiver shall not include water tap and sewer tap fees.

D. Targeting of Funds:

The City will target funds it is scheduled to receive or may in the future receive from the sources listed below on a first priority basis to

projects located within the Enterprise Zone. This targeting means to the extent that qualifying specific projects and/or project areas exist within the Zone (in accordance with the criteria established for each source/program), the City will give priority to the use of the funds or Zone projects/project areas. This shall not be construed to mean that projects outside the Zone which better meet program criteria and/or which demonstrate more need would be excluded from funding.

"First priority" is herein further defined as applying to project evaluation when all aspects of competing projects/project areas are generally equal. In such cases priority would be given to those projects located within the Enterprise Zone. "Projects" are herein defined as including the following items: public improvements; loan programs for commercial, industrial and/or residential properties; job training funds; and land acquisition in support of specific projects, etc. The funds/program sources to be targeted under this "first priority" basis are as follows:

1. Small Cities Community Development Assistance Program (CTAP) subsequent to the state approval of the Zone.
2. JTPA funds as may be available through the State of Illinois and/or other sources subsequent to the date of state approval of the Zone.
3. Industrial revenue bonds issued under City approval subsequent to the date of state approval of the Zone.
4. Loans to be provided under the Illinois Small Business Fixed Rate Financing Fund subsequent to the date of state approval of the Zone.
5. Build Illinois Funds as may be available through the State of Illinois subsequent to the date of state approval of the Zone.
6. Loans for commercial, industrial and/or residential projects to be made under any city established program(s) subsequent to the date of state approval of the Zone.

IV. The Mayor and City Council in an effort to successfully facilitate the management, operation and development of the Enterprise Zone will designate an Enterprise Zone Administrator in accordance with the provisions of the Intergovernmental Agreement appended hereto as Exhibit B.

V. This ordinance does not prohibit the City from extending additional tax incentives or reimbursements for residents and business enterprises in the Enterprise Zone or throughout the City by separate ordinance.

VI. This ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, paragraph, sentence or provision of the ordinance shall not affect the validity of any other portion of the ordinance.


VII. All ordinances or parts of ordinances conflicting with any of the provisions of this ordinance shall be and the same are hereby repealed.

VIII. This ordinance shall be in effect from and after its passage, approval, and publication as required by law.

Presented, passed and approved this 15th day of March, 1988.


Yeas 5

Nays 0



Mayor John D. Miles

ATTEST:



Rick J. Goedkner, City Clerk